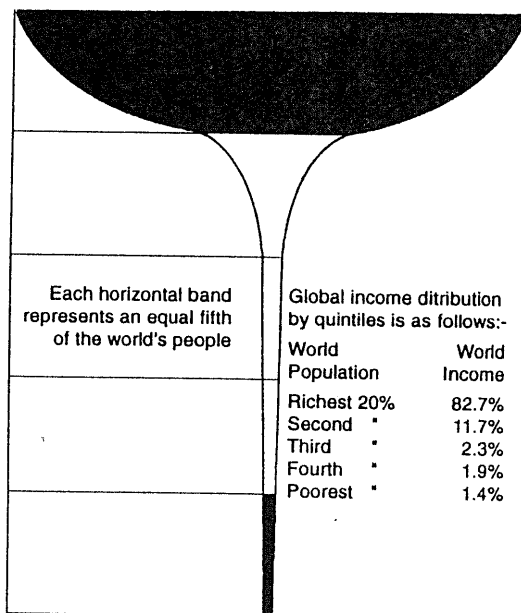


14 JAN 1998

IN SEARCH OF SOCIAL JUSTICE

The design below shows the global distribution of income.



DUNCAN SMITH

PURPOSE

MILLIONS of people in the developed world feel and think that our economic system is bad for themselves, for the billions of the underprivileged in all continents and for the environment. But they feel powerless. They are bemused by the media and frustrated by the political system. Our politicians seem concerned only with the next election and there are no debates in Parliament which focus on starvation, debt or the population explosion.

The New Economics Foundation and its collaborators in many countries believe that needs should have priority over profits, co-operation over competition and social justice over greed.

Since the Welfare State is being steadily eroded the need for a revolutionary change in values is more urgent than ever. It could be a quiet revolution because there are already an infinite number of organisations, large and small, in which needs, co-operation and social justice are recognised goals. Even modest changes in our economic structures and thinking would enable them to multiply and, once a trend were established, they could gradually become the dominant force. To identify areas in which changes are feasible and to work out ways in which they can be effected is, perhaps, the greatest challenge of our times. The New Economics Foundation is in the forefront of this intellectual adventure and has helped to co-ordinate the work of a number of distinguished researchers and economists who are pointing the way to the future.

Over the last ten years they have been building up a new and coherent school of economic thinking and it is important that this work should be widely known. This pamphlet describes the basic ideas of many of the leading New Economists in the hope that both opinion formers and the general public will be tempted to sample the books which meet their particular needs. An impressive body of literature has now been developed but it represents only the beginning of an enormous task. The message of this Guide is, therefore: please join in our work and give us your support.

The New Economics Foundation considers that this pamphlet is worthy of discussion but the opinions expressed are those of the author alone.

THE AUTHOR: Whilst working at the National Coal Board, Duncan Smith was a colleague and friend of E.F. Schumacher. Later he became Chief Training Officer for the National Health Service. On retirement he decided to try to promote Schumacher's ideas and has been active in a number of Green organisations. He was a founder-member of the New Economics Foundation of which he is a Trustee.

IN SEARCH OF SOCIAL JUSTICE

"It is justice, not charity, that is wanting in the World"
(UN Human Development Report 1994)

"Where there is no vision the people perish"
(Proverbs)

**"What shall it profit a man if he shall gain the whole
world and lose his own soul"**
(Mark 8)

**"Modern man does not experience himself as part of
nature, but as an outside force destined to dominate and
conquer it. He even talks of a battle with nature, forget-
ting that, if he won the battle, he would be on the losing
side"**
(E. F. Schumacher)

**"Wisdom demands a new orientation of science and
technology towards the organic, the gentle, the non
violent, the elegant and beautiful"**
(E. F. Schumacher)

DUNCAN SMITH

FOREWORD

ECONOMIC progress is doomed on its present form. It already threatens the ecosystem on which it depends. And its vision for the future is that everyone, in a world population twice as large as now, should aspire to the high-consumption, high population way of life of the rich minority today.

The conventional economic vision is false, not just for ecological reasons. It is no accident that more people than ever before now live in absolute poverty – well over one billion. Conventional economic progress systematically transfers wealth from the poor to the rich. Its way of creating wealth creates poverty too.

More and more people are realising that we have to change to a new path of economic progress, and develop a new body of economic theory and understanding, directed to the well-being of people and the Earth – to quality of life rather than quantity of consumption and accumulation. The world-wide new economics movement, in which the New Economic Foundation plays a significant part, is growing stronger every day. Duncan Smith's pamphlet is an excellent introduction to it. I hope it will encourage many readers to find out more and join in.

James Robertson – Author of
Future Wealth: A New Economics for the 21st Century

INTRODUCTION

THE KNIFE EDGE

SINCE the end of the cold war and the death of Communism as a viable creed there has been a huge ideological vacuum throughout the world. Communism failed because it tried to impose a political system by forcible centralised control, and many signs indicate that Capitalism is also failing. To begin with, it is based on grotesque social injustice. The figure on the cover shows that 82.7% of the world's wealth is owned by one fifth of its inhabitants and that the poorest fifth have only 1.4%. Secondly, its rationale is based on 'growth' and it has become apparent that in a finite world, with an exploding human population, unregulated growth is impossible. On an increasingly crowded planet material resources, energy, food, fresh air and water will become steadily scarcer and civilised life will only be possible if we substitute co-operation for competition and the blind incentives of the market. Thirdly, Capitalism is inhuman. The world's economy is controlled by vast multi-national corporations and anonymous bankers and speculators who are served by media bosses and advertisers. Finally, Capitalism has no satisfactory answer to the problem of work. Technology is destroying jobs both in factories and in offices faster than they can be created, and all the rich countries have developed an underclass composed of many millions of people who have no hope of work and are therefore impelled into a life of crime and drugs.

At present we are on a knife edge and unless there is a major change we shall slide to disaster. There is, therefore, an urgent need for a new vision of society which avoids the faults of both Communism and Capitalism. The world's crisis is both economic and moral, and E.F. Schumacher's 'SMALL IS BEAUTIFUL' deals with both these aspects. He was the first major economist to relate the warnings of the Club of Rome about the physical resources of the planet to the moral teachings of Jesus, Buddha and Gandhi and of Western prophets such as Blake and Tawney. He describes with bitter irony the immorality of the capitalist system and stresses the vital role of work and community in providing a civilised society.

Schumacher died, sadly, at the height of his powers and the need to develop his theories was one of the reasons for the birth of the 'New Economics Foundation' in 1985. The Foundation was one of the first results of the original "TOES" ("THE OTHER ECONOMIC SUMMIT") which was held in London in 1984 to coincide with the World Economic Summit. An alternative agenda was presented, and since then a "TOES" has been organised each year in the country in which the Summit is held.

These gatherings have done much to help the NEF to develop a new economic philosophy based on justice, sustainability, community and democracy. It differs from Communism because it is based on subsidiarity, decentralisation and participation, and from Capitalism because it gives priority to meeting needs, to co-operation and to the full development of human personality and community for all the inhabitants of the world.

The Foundation is in touch with 'new economists' in many countries and together they are forging a system of economic principles which could form the basis for the ideology which the world so desperately needs.

Linked with the NEF as patrons, supporters or associates are a distinguished body of writers who, in the last decade, have developed many aspects of the new paradigm. There are many areas still to be explored, but there is an impressive collection of books and pamphlets which point the way to the future. This short pamphlet highlights some of the most incisive and illuminating of the works published up to 1995 in the hope that people who care about the world's fate will read as many of them as possible. They are grouped, like the NEF list of publications, under seven headings:

- The New Economy.
- New Indicators.
- Ecological Economics.
- The Ethical Economy.
- Development Alternatives.
- Work and Society.
- Community Economics.

I – THE NEW ECONOMY

“SMALL IS BEAUTIFUL” has a slightly misleading title because it is concerned with so much more than size. It is worth reading and rereading as a classic and brilliant statement of the case for a revolution in economics. It was followed up in 1989 by “FUTURE WEALTH” by *James Robertson*, which proposes a definitive agenda for the new economics. He begins by quoting Keynes who said “I believe myself to be writing a book on economic theory which will largely revolutionise the way the world thinks about economic problems”. Although admiring Keynes, Robertson asserts that the changes needed now are vastly more profound. “We need a new economic order for the 21st century geared to the real needs of the population of the earth. It must be both enabling and conserving. It must harmonise economy with ecology as the management and science of our earthly home”. Robertson has had unusually wide experience as a senior civil servant, a director of banking research and as a consultant, and his book covers many facets – ideas, organisation, money and work. It ends with a programme for the 1990’s, some of which is beginning to take shape and is probably the best introduction to the basic concepts of the new economics.

There are also other routes into the subject, via *Paul Ekins*, the first Director of the New Economic Foundation, who has made great contributions to the movement. In 1986 he edited “THE LIVING ECONOMY”, a digest of papers given at the first TOES and subsequent conferences, and in 1992 he and *Manfred Max-Neef* produced, as joint editors, “REAL LIFE ECONOMICS”. The “LIVING ECONOMY” was a landmark – now slightly dated – and “REAL LIFE ECONOMICS”, composed of essays by leading economists from all parts of the world, is an impressive book. The language is technical but clear and the topics range from analyses of the mechanisms of economic policy to practical proposals for an alternative, sustainable economy. Ekins, with collaborators, has also produced a valuable atlas of the new economics – “WEALTH BEYOND MEASURE” and a teachers’ pack (“REAL WEALTH TEACHERS’ PACK”) to go with it.

From across the Atlantic have come two other notable books. *Hazel Henderson*, a Bristolian by birth, has acquired a wide reputation for her wit, persuasiveness and clear-sightedness. Her "PARADIGMS IN PROGRESS" is aptly described in the NEF Publication List as an "invigorating mix of poetry, philosophy and prophecy". It is full of illuminating tables and diagrams and of evidence of the author's stimulating personality.

"FOR THE COMMON GOOD" by *Daly and Cobb* is a milestone in the development of economic thinking, because it is co-authored by an eminent economist and a theologian. It begins with a devastating critique of orthodox economics and builds on *Herman Daly's* pioneering work on the concept of sustainability in his "STEADY STATE ECONOMICS". The idea that we must not deprive our descendants of the finite resources of the earth has recently received much lip-service and is the basis of "AGENDA 21" which was approved at the Rio Conference. But *Daly and Cobb* show that to achieve its proposals profound changes will be needed. They argue with moral and intellectual passion that "free trade" is primarily a weapon by which the strong dominate the weak, and that the aim of economics should be to build and strengthen communities. What they call the "wild facts" of environmental destruction will not be appeased by technological sophistication but only by reviving and developing close personal relations in the context of creative communities. For new economists communities at all levels – village, town, region, nation and groups of nations – are the fundamental building blocks and "FOR THE COMMON GOOD" describes in some detail how the United States could opt out of the international growth race and become largely self-sufficient.

The fact that "growth" is like a cancer is common ground for most Green writers but a spirited book by an Irishman, *Richard Douthwaite*, is entitled "THE GROWTH ILLUSION". It argues that economic growth has made life considerably worse for British people since 1955 and that any further expansion will do still more harm. He quotes Queen Beatrix of The Netherlands who said that "what we are seeing is not the destruction of the earth at one blow but its demise in a silent drama. The earth is slowly dying and the inconceivable – the end of life itself – is becoming

conceivable". Douthwaite urges that the only way to check population growth is to transfer huge resources to the poor countries so that they can provide pensions for the old, lengthen the education of women and provide basic public health.

AID AND THE POOR

The Human Development Report 1994 published by the UN Development Programme has many significant comments about the Aid policies of the developed countries:- "Aid", it states is, not focused on the priority areas of human development. Bilateral donors direct only 7% of their aid to such priority areas as basic education, primary health care, rural water supplies, nutrition programmes and family planning service". Moreover most Aid does not go to the poorest countries as the following table shows:-

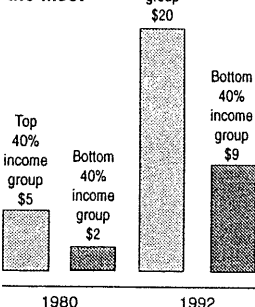
TABLE 4.2

ODA to the poorest

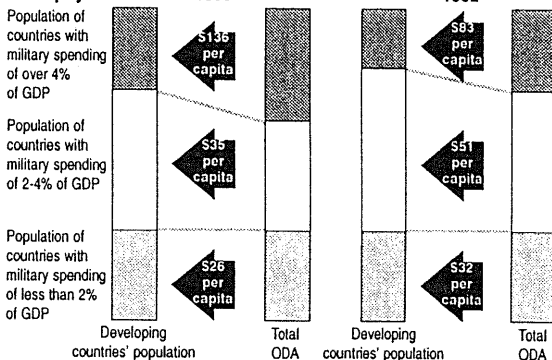
Ten developing countries with highest number of poor people	Percentage of population in poverty 1980-90	Number of poor (millions) 1992	Poor as % of total world poor 1992	ODA per poor person (US\$) 1992	ODA as % of total ODA 1992
India	40	350.0	26.9	7	5.2
China	9	105.0	8.1	28	6.5
Bangladesh	78	93.2	7.2	19	3.8
Brazil	47	72.4	5.6	3	0.5
Indonesia	25	47.8	3.7	44	4.6
Nigeria	40	46.4	3.6	7	0.5
Viet Nam	54	37.6	2.9	16	1.3
Philippines	54	35.2	2.7	49	3.8
Pakistan	28	35.0	2.7	33	2.6
Ethiopia	60	31.9	2.5	41	2.9
Total	29	854.5	65.9	17	31.7

Donor countries continues the Report, usually trot out a large number of objections for aid. They believe that aid should help in reducing poverty, promoting human development, quaranteeing human rights, protecting the environment or improving natural ignorance. But their programmes do not appear to be directly linked to their objectives. For strategic and commercial reasons aid is unequally distributed between countries and the richest 40% receives twice as much per capita as the poorest 40%. In particular, countries with high military spending are rewarded with high ODA payments.

Those with higher incomes receive the most



Countries with high military spending are rewarded with high ODA payments



MEASURING WEALTH - II NEW INDICATORS

DOUTHWAITE'S book demonstrates the need to measure objectively how economic activities benefit or harm society and the NEF has been active in this field. The conventional measure – the Gross National Product – is misleading in many ways. It simply measures the volume of cash transactions and if errors are made or disasters occur they push up GNP. More seriously, it takes no account of work which is done without monetary reward, the huge area of domestic housekeeping and caring and the great world of volunteering. *Victor Anderson*, in his study of "ALTERNATIVE ECONOMIC INDICATORS" commissioned by the NEF suggested that, rather than seeking one single indicator it is better to select 14 important factors which together give a good indication of welfare. Some are social and others are environmental, and not surprisingly, social indicators tend at present to be positive, while environmental ones are negative. In a valuable Appendix to "FOR THE COMMON GOOD" there is a description of a different type of measure – the "INDEX OF SUSTAINABLE ECONOMIC WELFARE". This is derived from 23 separate measures which are combined into one indicator. The study shows that in the United States, whereas from 1950-86 the GNP per capita went up from \$3512 to £7226, the ISEW rose steadily until 1980, when it started a regular decline. The 1980s were the years in which the market was given unchallenged sway and the study shows that this did not benefit the population as a whole. It is important to discover whether this tendency still persists, and the NEF is now applying the Daly technique to Britain. In "A GREEN LEAGUE OF NATIONS" (a NEF publication) Alex MacGillvray provides an interesting comparison, based on indicators, of the relative performance of OECD countries

Measures are made in words as well as figures and in "AUDITING THE MARKET" *Simon Zadek* and *Richard Evans* apply social auditing techniques to Traidcraft, the non-profit-making organisation which distributes Third World commodities. Indeed the NEF is now the centre of an extensive Indicators' programme funded by major bodies. Under sponsorship of the European Union and the United Nations they are

working on the application of new indicators to their Structural Funds and of the system of national reports to the Commission for Sustainable Development. Finally, for a variety of voluntary organisations, social audit techniques are being studied and for local authorities sustainability indices are being explored.

As a prelude to the chapter on Ecological Economics, it may be of interest to note a proposal by James Tobin, a winner of the Nobel Prize for Economics for

A Tax on International Currency Transactions.

CAPITAL moves ever more freely across national borders, both by direct business investments and by purchases and sales of financial assets. Capital movements certainly can benefit the nations directly involved and the world economy as a whole, by directing world savings to high-productivity projects, where ever they may be. Savers in a capital-intensive economy often find more profitable investment opportunities in capital-poor areas.

However, the capital flows needed to achieve efficient allocation of world savings are today a minuscule fraction of world-wide transactions in currency markets, which are estimated to run at \$1 trillion a day. Thanks to modern communications and computers, these deals are easy and cheap. The sun never sets on financial markets, from Hong Kong, to Frankfurt, to London, to New York, to Tokyo. Advanced industrial countries long ago abandoned exchange controls, and many developing countries are relaxing their regulations.

Here, as in so many other dimensions of human life on this globe, technologies have outrun political and social institutions. The bulk of those trillions of currency exchanges are speculations and arbitrages, seeking to make quick money on exchange rate fluctuations and on international interest rate differentials. They contribute little to rational long-term investment allocations. Exchange rates are at the mercy of the opinions of private speculators commanding vast sums. Their activities distort the signals exchange markets give

for long-range investments and for trade. Interest rate arbitrages make it difficult for national central banks to follow monetary policies independent of those of major foreign central banks.

In 1978, I proposed a realistic option. An international uniform tax would be levied on spot transactions in foreign exchange (including deliveries pursuant to futures contracts and options). The proposal has two basic motivations. One is to increase the weight market participants give to long-range fundamental relative to immediate speculative opportunities. The second is to allow greater autonomy to national monetary policy, by making possible larger wedges between short interest rates in different currencies.

A 0.5% tax on foreign exchange transactions is equivalent to a 4% difference in annual interest rates on three-month bills, a considerable deterrent to persons contemplating a quick round-trip to another currency. The intent is to slow down speculative capital movements; it would be too small to deter commodity trade or serious international capital commitments. The revenue potential is immense, over \$1.5 trillion a year for the 0.5% tax.

It is appropriate that the proceeds of an international tax be devoted to international purposes and placed at the disposal of international institutions.

(Special contribution to the Human Development Report 1994).

James Tobin, winner of the 1981 Nobel Prize for Economics

III – ECOLOGICAL ECONOMICS

THE introduction to “REAL-LIFE ECONOMICS” states that “the book is the result of two convictions held by the editors: first, that economics in its mainstream neo-classical form is failing to provide an intellectually coherent explanation of economic reality, especially with regard to such issues as the nature of markets, environmental degradation, persistent poverty and household production, and is therefore responsible for much flawed policy advice; and second, that many constructive, potentially complementary, alternative proposals on these and other issues, some originating in the economics discipline, others from outside it, are too often left standing in isolation from each other, so that the larger framework within which they could be accommodated, and which could win them acceptance, is left unarticulated.” Hence 31 leading economists, social scientists and activists, collectively described as “pioneers at the leading edge of some of the most exciting developments in economics” have contributed their views. The ground covered by these authors is vast and brief references are made in this section to sustainable development, trade, taxation, energy and pollution. Other aspects are referred to later.

(i) – **SUSTAINABLE DEVELOPMENT:** In the “GREEN ECONOMY” *Michael Jacobs* cites the old adage: “We do not inherit the world from our parents, we borrow it from our children”. In the last half of the century terrible harm has been done to our inheritance by the belief that all countries should be “developed” on the model of the industrial North. As already shown, the result has been a grotesque imbalance of wealth, and in most poor countries, the gap between the ruling elites and the mass of the people is huge. Throughout the world there has been increased poverty and a crippling burden of debt, pollution of air, land and water and a rapacious use of the earth’s finite resources. The failure of this model of “development” was recognised by the Brundtland Report of 1987, which showed the urgent need for what is termed “Sustainable Development”.

The implications of this are spelled out by *Paul Ekins* in “REAL LIFE ECONOMICS” and include maintaining a minimum life expectancy of finite resources and policies designed to minimise their use and to find

substitutes; care to avoid disturbing the climate; protecting biological diversity; preserving soil fertility and controlling all forms of pollution. To achieve this there will have to be a huge job of national and international management and *Michael Jacobs* has several valuable chapters about the means of doing this by voluntary action, regulation, government expenditure and financial incentives. Most experts are now agreed that this monumental task cannot be done solely by action from the top and that this is a sphere in which all citizens must be deeply involved.

(ii) – **TRADE**: Trade is now one of the most contentious of all topics in the world of economics. Since the days when Adam Smith lauded specialisation and Ricardo propounded the theory of “comparative advantage”, orthodox economists have held it as an axiom that free trade is a “good thing”. Keynes, incidentally, was an exception to this consensus and recently *Daly*, *Ekins* and *Hines* and *Lang* in “THE NEW PROTECTIONISM” have argued forcefully that comparative advantage no longer applies and that free trade is primarily an instrument to enable the technologically and politically strong to dominate the world. Ricardo assumed that capital and labour were essentially home based, but capital now rushes round the world at the touch of an electronic button and labour is also much more mobile. The result is that capital flows to countries where labour is cheap and the basic industries and mass production factories of the industrial North are fast disappearing. Large firms are decentralising and sub-contracting and the result is massive unemployment, attacks on social provisions and, in the USA, an actual decline in the wages of workers still engaged in manufacturing. In the USA the President sided with Wall Street to push through the GATT Treaty in the face of violent opposition from the unions and their allies on the Left. Green opinion is also deeply worried about the problem of preserving environmental protection under GATT rules and poor countries like India fear the effect of extending them to services, patenting and intellectual properties.

Ekins explains these fears in a NEF report “TRADING OFF THE FUTURE”, and “THE NEW PROTECTIONISM” is a brilliant exposition of the case for substituting “fair trade” for “free trade”. Free trade undermines all attempts to increase national and local self-reliance, it

causes a prodigal waste of energy, prevents the growth of “infant industries” and causes infinite insecurity and loss of employment. The future shape of Europe depends vitally upon the trading policy which is adopted. The original model of an “internal market” for the 12 countries is already being undermined by a flood of applicants in Scandinavia and Eastern Europe who wish to join the club. An even bigger question is whether “Europe”, whatever its shape, should be an unprotected part of a global free trade economy. Orthodox opinion claims that technological and creative superiority based on high educational standards will withstand competition from the Far East and South America. But in view of the huge disparities between wage levels and political systems even “free trade” publicists like Will Hutton now have their doubts and the great challenge is to devise a system which will protect European diversity until the continent can become viably sustainable and self-reliant. *Sara Parkin’s “GREEN LIGHT ON EUROPE”* contains many valuable suggestions and debate on these issues will certainly intensify.

(iii) – **TAXES AND BENEFITS:** Taxes are an obsession with both politicians and voters but few sense that our taxation system is both antiquated and inefficient. Income tax penalises value added to goods and services and it is alleged that high rates stifle enterprise. It has failed in Britain to mitigate social injustice and since 1979 the rich, aided by a flourishing tax avoidance industry, have become steadily richer and the poor progressively poorer. And it is at the bottom end of the tax and benefit system that we prevent the poor from helping themselves. For millions of people every pound earned means a corresponding drop in benefit, so that they are locked in the “poverty trap”. On the other hand, wasteful and inefficient use of energy and land is hardly taxed at all.

Two remedies have now been proposed – a Citizen’s Income and progressive taxes on energy and land values. Energy taxes have been extensively researched, notably by *Ernst Von Weizacker*, and by the European Union, since they could encourage energy efficiency, energy conservation, and a shift to renewable energy sources. They would substitute labour and skill intensive forms of production for energy intensive ones, creating much employment in the process.

Proposals for land taxation have also had a long history but post-war attempts to tax “development gains” failed because of over complexity. A notable report “BENEFITS AND TAXES – A RADICAL STRATEGY” by *James Robertson* contains, in a wholly original way, a proposal for a Citizen’s Income based on energy and land taxes together with the elimination of income tax and nearly all social security benefits. The scheme has been costed in broad outline and could be introduced in stages. The Citizen’s Income would be paid to every man, woman and child and would provide a bare subsistence which could, however, be supplemented by all forms of income generation without any restrictions. The old and handicapped would receive more, and some forms of income tax might be retained for the rich. The whole package would be fiscally neutral so that though individuals and businesses would pay much more for energy, other than renewable energy, they would be relieved of Income Tax, Corporation Tax, National Insurance contributions and VAT. As regards land, there would be a Land Value Tax, i.e. a tax on the site value of land without taking account of the buildings on it. Such a tax would reduce the capital value of land but Robertson shows that it would not be inflationary and would assist the efficient use of land.

(iv) – **ENERGY AND POLLUTION:** The extravagant and often wasteful use of energy is the main cause of the many forms of pollution which are increasingly afflicting the world. This is, of course, one of the main rationales for the energy taxation referred to above which would be levied at source on coal, oil, gas and nuclear fuel. It would be highly desirable for such taxation to be levied throughout the world, but nations which are willing to act as pioneers would lose nothing from doing so.

The main forms of pollution to be attacked are global warming, acid rain, nitrous oxides, CFCs, traffic congestion, emanations from traffic and factory fumes and lead, which appear to be causing increasing asthma and bronchial diseases. To have much effect the taxation would have to rise to a high figure. Robertson suggests two or three times the present price but fortunately there is real scope for increased efficiency. The ways in which this could be achieved are set out in *Victor Anderson’s* “FUEL EFFICIENCY POLICIES” in which experience and research in a number of countries are analysed. They indicate that insulation, re-

equipping plants, vehicles and dwellings, monitored by effective controls, could be a major source of employment and technical innovation in nearly all sections of manufacturing industry.

The design and maintenance of consumer durables is also important and the NEF has just published an important report by *Tim Cooper* on “BEYOND RECYCLING”. It points out that though recycling is valuable in some contexts, it cannot cope with the substantial volume and variety of waste now being generated. The report suggests that increased product durability and re-use of products and components should be the key elements in a new environmental strategy to minimise waste. This, says NEF “is a ground breaking report which will shift the environmental debate.” It could also be the death knell of planned obsolescence.

The other reason for work of this kind is to preserve the finite resources of the planet. Estimates of oil reserves vary greatly but they are unlikely to last for more than half a century, and energy efficiency and the need to secure reasonable mobility from renewable sources poses a tremendous challenge to technology. Reserves of coal will last longer, but unless their use is controlled the carbon dioxide they produce will greatly increase the threat of global warming and this increases the urgency of preventing the destruction of the tropical rain forests, which absorb carbon dioxide.

An excellent report on “PAYING FOR THE RAIN FORESTS” by *Victor Anderson* has recently been published by the NEF. After describing their fundamental importance, he explains the reason for their current destruction and the efforts which are being made to stop it. The Conference at Rio failed to solve the problem and Anderson puts forward a number of useful ideas about saving the rain forests and related problems such as availability of land and biodiversity. One of the greatest handicap of the UN is erratic funding and support is given to the idea of international taxation on energy, speculation, etc. to provide a firm financial base.

(v) – **PAROCHIAL POLITICS:** One of the biggest headaches which faces the New Economics in its inevitable complexity. Taxes and transport, energy and agriculture, debts and arms, pollution and rain forests – all are related and all make a big impact on our fragile Earth on which we all

depend. But politicians rarely think beyond the next general election. We must help them to draw the threads together and a forthcoming book by *Patricia Knox*, "THE CENTRAL PILLARS OF THE 20th CENTURY MYTH" tries hard and successfully to do this. The job, however, is too big for individuals. They must co-operate with appropriate groups and these must try to form a common outlook. Then they must force the Government to look ahead with the help of a "Department of the Future" headed by the ablest minister they can find. He (or more likely she) could, in turn, help to bring order to the international scene which is referred to later.

Among the many conclusions of the Human Development Report the following may be especially commended to politicians:-

- The search for human security lies in development not arms.
- How intelligently the emerging peace dividend will be used is now up to the policy makers.
- We must seek a new role for the United Nations to meet humanity's agenda, not only for peace but also for development.
- The Social Summit (Copenhagen) should approve the basic idea of a global human security fund.
- It will be essential to set up an Economic Security Council.
- Development patterns that perpetuate today's inequities are neither sustainable nor worth sustaining.
- The world will never be secure from war if men and women have no security in their homes and in their jobs.
- People go hungry not because food is unavailable - but because they cannot afford it.
- In no society are women secure or treated equally to men.
- Drought or disease can decimate no less mercilessly than the weapons of war.
- A World Central Bank is essential for the 21st century.

IV – ETHICAL ECONOMY

AN ethical dimension is implicit in the writings of almost all new economists and reference has been made to the moral passion so evident in the writings of Schumacher, Daly and Cobb, Henderson, Robertson and Douthwaite. Three American authors have also brought significant moral insights to the subject. *Amital Etzioni's* "THE MORAL DIMENSION" draws a picture of an economics placed in a moral context and he has contributed a valuable summary of his ideas to "REAL LIFE ECONOMICS". He attacks the core concept of the orthodox economics which postulates that people are "self-centred, hedonistic, and Me-istic; people are propelled by their wants, their self-interest, their profits". Research shows, he states, "that people have several wants, including the commitment to live up to their moral values and that their wants cannot be neatly ordered or regulated by prices." He therefore hypothesises an I – We paradigm which assumes a divided self which does have hedonistic urges, but also a judging self, which evaluates these urges by various criteria of which the most important are moral and social values.

This factor is ignored by "new classicists" and their economic teachings have been shown to cause a marked increase in egotism. In one study economic graduate students were found to be three times as prone to look for a free ride as students from other faculties. "Most societies", Etzioni says, "set aside certain areas as sacred. To make the public think of them in cost-benefit terms secularises them, strips them of their moral standing and ultimately causes them to be treated as neo-classicists say they are."

Mark Lutz and *Kenneth Lux* in "HUMANISTIC ECONOMICS" show again the value of an inter-disciplinary approach – Lutz being an economist and Lux a psychologist. They agree with Etzioni that Gresham's Law applies in the moral sphere in that low economic values drive higher ones out of circulation. "Marketisation and materialism", they say, "are two sides of the same coin. Both cater to a desire for things or the lust for power rather than to the need for inter-personal relations. And society becomes increasingly atomistic".

They also remind us that ethical concern is not new, and that J.S. Mill in the 19th century said “I confess that I am not charmed with the idea of life held out by those who think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing, and treading on each others’ heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress.” Lutz and Lux conclude that we should cease to take lessons from pigeons, dogs and rats and instead formulate a science that treats people as holistic individuals with a structure of basic needs and an inborn potential to grow towards higher levels of being and more meaningful lives. “Injecting life into the mechanistic core of economics is a challenging and desperately needed task.” The book contains far more than abstraction and there are powerful chapters on employment, free trade, debt and community enterprise.

“Money”, says St. Paul, “is the root of all evil”, and the NEF has published a resource pack “REAL WEALTH – THE FAITHS AND ECONOMICS” which surveys in simple terms the economic teachings of five of the great religions. “All the great faiths” says Ed Mayo, Director of the NEF, “teach that material wealth is secondary. What gives meaning and purpose to life is the spiritual, something which is obscured to us if we fail to see beyond money and possessions. The insights of the great faiths offer a different path, helping us to live more simply so that other may simply live. They suggest that economic life and religious values can be brought back together by Reclaiming Wealth, Restoring Nature, Rethinking Money, Renewing Work and Reintegrating Values”.

The economic outlooks of the great religions are summarised below:

CHRISTIANITY: Jesus was a real iconoclast, overturning the tables of the money-changers in the Temple, urging the rich young men to sell all his goods and follow him and commenting that it is as easier for a camel to go through the eye of a needle than for a rich man to enter the Kingdom of Heaven. These injunctions have always been strong meat for Christianity but they have had large effects, forming the impetus for the great monastic movement of the Middle Ages and causing usury to be deemed a sin by the Church until the Renaissance. In modern times

successive Popes have inveighed against the excesses of capitalism, and there is today a guerrilla war between the Protestant Churches and the Establishment about wealth and property.

BUDDHISM: Buddhism is a quieter creed and Schumacher's famous chapter on BUDDHIST ECONOMICS shows that Buddhists have always thought it wrong to consider goods as more important than people and consumption as more important than spiritual activity. Simplicity, kindness and particularly generosity are central to Buddhist practice. Generosity, as the pre-eminent Buddhist virtue, is both a spontaneous expression of selflessness, a profound concern for the well-being of others and a deliberate means for enhancing the quality of one's own life. It is sad that, in Burma, a military government is trying to force a Western economic model on a reluctant nation. The fact that their foremost opponents are Buddhist monks is significant.

ISLAM: In one major respect Islam is at odds with economic orthodoxy. The charging of interest is strictly forbidden by the Koran and those who benefit from usury are said to have "reaped where they have not sown". Alternative banking methods have been devised making use of trusted agents, and *zakat*, a levy of 2½ per cent, is collected for the poor. Moslems are regarded as God's Vice-regents on earth and to waste or abuse nature is sinful.

JUDAISM: Judaism lays great stress on honesty and adherence to Jewish law. Wealth is desirable and poverty a curse, so that Jews must relieve poverty by giving up a tenth of their income.

HINDUISM: The first principle of Hindu economics is not to take more than you need. In the words of the Upanishads: "The world is the home of God and He dwells in all things, moving and non-moving. One should therefore only take what one needs and leave the rest for others, recognising to whom it belongs". Gandhi's "Swaraj", meaning self-rule and self-restraint, was a potent factor in gaining independence for India, but later his Party came to believe in the Western form of socialism. Mass production has destroyed many traditional crafts and is contrary to the

Hindu belief that the spirit is far more valuable than material wealth.

It is clear that the great religions have much in common in their economic outlook and it may be profitable to develop further inter-faith dialogue regarding their beliefs and the principles of the New Economics.

The following chapter on Development Alternatives should be read in the context of the following tables published in the "Human Development Report 1994".

Costing essential human development targets, 1995-2005

Sector	Specific targets	Approximate annual additional costs
Education	• Basic education for all and adult illiteracy reduced by 50%, with female illiteracy no higher than male	\$5 to \$6 billion
Health	• Primary health care for all, including complete immunisation of all children • Reduction of under-five mortality by one half or 70 per live births whichever is less • Elimination of severe malnutrition and a 50% reduction in moderate malnutrition	\$5 to \$7 billion
Population	• Basic family planning package available to all willing couples	\$10 to \$12 billion
Low-cost water supply and sanitation	• Universal access to safe drinking water	\$10 to \$15 billion
Total for priority human agenda		\$30 to \$40 billion

These sums shall be contrasted with the sums spent annually on Arms by the world during the years 1987-94. (£767 billion in 1994)

Global military expenditures and the peace dividend

(US\$ billions in 1991 prices and exchange rates)

	1987	1988	1989	1990	1991	1992	1993 (est.)	1994 (est.)	total 1987-94
<i>Actual military spending</i>									
World	995	970	945	890	855	815	790	767	7,027
Industrial countries*	850	835	815	760	725	690	669	649	5,993
Developing countries	145	135	130	130	130	125	121	118	1,034
<i>Actual cumulative peace dividend</i>									
World	0	25	50	105	140	180	205	228	933
Industrial countries*	0	15	35	90	125	160	181	201	807
Developing countries	0	10	15	15	15	20	24	27	126
	1995	1996	1997	1998	1999	2000	Total 1995-2000		

V – DEVELOPMENT ALTERNATIVES

THE New Economics Foundation has had close links with the Third World through the Right Livelihood Foundation. In 1980 Jacob Von Uexkull, a trustee of the NEF, decided to use his personal fortune to start an organisation which would give awards to men and women who make outstanding contributions to sustainable developments in the Third World. These awards, about three of which are given annually, became known as Alternative Nobel Prizes and are presented in the Swedish Parliament the day before the official Nobel ceremony. Winners receive substantial cash prizes, but are expected to use these to promote their movements. This has given them considerable prestige and has saved several from persecution and imprisonment.

Paul Ekins, the first Director of the NEF, became Research Director of the Right Livelihood Foundation in 1986 and for three years he was able to travel the world in search of nominees. The results of this work is contained in Ekins' "NEW WORLD ORDER". The book is a combination of stark analysis and tentative hope. Von Uexkull in his Introduction says that he himself is a "possibilist", one who accepts the view of the very serious state of the world held by all informed opinion but rejects the self-fulfilling pessimism of those who say that human nature is incorrigible.

Ekins discusses what the Club of Rome calls the "global problematique", namely that the world is faced with four interlocking crises: militarisation, poverty, environmental destruction and human repression. Despite the ending of the Cold War annual expenditure on arms is almost 800 billion dollars. It puts 25 million people in uniform, it props up over 50 military regimes and has fuelled over 82 conflicts in the last five years. Such insane expenditure de-stabilises the world rather than giving it security, and, if it were diverted to constructive use, programmes for halting desertification, providing fresh water for all, immunisation for children, restoring forests and mass education, particularly for women, could all be financed. The arms trade is one of the world's greatest evils and is a major cause of the absolute poverty which affects one fifth of the world's population.

"Development", when it was first mooted after the War, was supposed to ensure that the wealth would "trickle down" to the poor and needy. In fact the numbers living in absolute poverty have increased dramatically, and the gap between rich and poor, in poor countries as in rich, has steadily widened. The World Bank, the IMF and the commercial banks controlled by the rich North, have allowed debt to pile up remorselessly – mainly to buy arms and to finance prestige projects, so that in order to pay interest expenditure on education, health and social services is cut and economies are shaped to promote exports in order to service debts.

The elites who control governments connive with this system to preserve their European life-styles and to safeguard the wealth which they have salted away abroad. Marcos embezzled four billion dollars from the Philippines, Mobutu five billion from Zaire, and 575 Mexicans are each alleged to have deposited at least one million dollars in overseas banks. Examples of inappropriate development abound, but perhaps the palm goes to the Côte d'Ivoire, which built a life-sized replica of Rome's St. Peter's in the jungle replete with nine acres of French stained glass and Italian marble. All such aberrations have disastrous effects on the environment. Rain forests are destroyed to obtain foreign exchange and poverty forces many people to attempt unsuitable agriculture. In many countries contempt for social justice causes revolts, and these are suppressed by governments with flagrant abuses of human rights.

DEBT. This a sad story and the problems caused by debt are graphically analysed by *Susan George* in "THE DEBT BOOMERANG", a book which is sub-titled "HOW THIRD WORLD DEBT HARMS US ALL". Careful research shows how the need to recycle oil money placed a dreadful incubus on poor countries, which has resulted in a monstrous annual tribute by the poor to the rich. During 1982-90 the developing countries remitted in debt service alone 1345 billion dollars (interest and principle) to creditor countries. To this must be added royalties, dividends and repatriated profits, and the insistence by the IMF that priority must be given to exports has meant that commodity prices have slumped. But in spite of these huge payments debtor countries are 61 per cent more in debt than they were in 1982. When the IMF demands devaluation to encourage exports this again profits the governing elites who benefit so

much from the current situation that there is no united demand from the debtor countries for drastic reforms.

Although the North benefits from lower commodity prices it is also harmed in many ways, such as enforced deforestation, growth in the drug trade and inappropriate agriculture, all of which adds at least 18 per cent to global warming. Susan George shows that tax provisions given to banks in respect to losses on debts are not linked to equivalent cancellations of debt. She also shows the close connection between debt and illegal immigration and the loss of markets for Northern goods, owing to poverty in the Third World. The so-called "aid" given by the North to the South is small in comparison with the reverse flow of resources from the South to the North. In any case, the North as a whole is giving less than half of its commitment to the United Nations to give 0.7 per cent of GNP in development aid.

POPULAR EFFORTS FOR REFORM. The hopeful aspect of THE NEW WORLD ORDER lies in its description of the achievements of individuals and of popular movements in many parts of the world who are struggling to bring about a saner order. Ekins claims that in Europe dissidents did much to hasten the end of the Cold War and the work of Amnesty, Greenpeace, Oxfam and other NGOs are well known. Changes in perception about the true meaning of security take time to germinate, but the work of Yesh Gvul in Israel, Durr in Germany, Galtung in Norway and Lester Brown in the USA are, in spite of setbacks, gradually having their effect.

Women are half of humanity and they have made heroic efforts, both in the North and in the South. Moslem women have particular problems and the WLUML (Women Living Under Moslem Laws) has shown that "in different countries Moslem laws differ from and sometimes contradict each other; that they often derive from highly questionable readings and interpretations of the Koran, and that they have more to do with the exercise of political power and patriarchy than theology". Costa Rica, the only country without an army, has instead CEFIMA (Feminist Centre for Information and Action) which is helping women in a number of ways – to plan and build new communities and to promote many forms

of health care, protection against abuse and publications on law, education, birth control etc. To spread news about their achievement they have organised international conferences, which also aim at generating a theoretical framework for a programme on women and sustainable development. Other groups at risk are Indigenous peoples for whom Survival International and the Seventh Generation Fund in the USA are doing important work.

ANOTHER MODEL OF DEVELOPMENT. As early as 1977 the Dag Hammerskjold Foundation proposed a model of development in opposition to the giantism and ruthlessness of the capitalist model. It is:

NEED ORIENTATED, that is, being geared to meeting human needs, both material and non-material.

ENDOGENOUS, that is, stemming from the heart of each society, which defines in sovereignty its values and the vision of its future.

SELF-RELIANT, that is, implying that each society relies primarily on its own strength and resources in terms of its members' energies and its natural and cultural environment.

ECOLOGICALLY SOUND, that is, utilising rationally the resources of the biosphere in full awareness of the potential of local eco-systems as well as the global and local limits imposed for future generations.

BASED ON STRUCTURAL TRANSFORMATIONS, required more often than not in social relations, in economic activities as well as in the power structure.

THE SARVODAYA MOVEMENT: This is the basic pattern aimed at by a number of popular movements, particularly in the Indian sub-continent. Notable among these is the SSM (Sarvodaya Shram Adana Movement) in Sri Lanka founded in 1958 by A.T. Ariyaratne. The name means "Awakening of all by voluntarily sharing peoples' resources, especially their time, thoughts and efforts". Villages which volunteer to carry out the aims of the movement go through a careful spiritual development programme based on Self-reliance, Community Participation, and Planned Action. A "felt need" is identified in each

village and volunteers work towards it for six to eight hours a day, after which they devote three to four hours to education through dialogue, song and dance. Sarvodaya has spread to 8 thousand of Sri Lanka's 27 thousand villages and is still thriving. But it has met great difficulties – civil war with the Tamil minority, pressures caused by capitalist development, differences of perception with overseas benefactors and jealousy by the government. Some of these are analysed in a NEF pamphlet "VALUING ORGANISATION" by *Simon Zadek*. The future of this remarkable movement will be watched with great interest. Could it be replicated world wide?

OTHER MOVEMENTS IN THE INDIAN SUB-CONTINENT. Paul Ekins describes other notable movements in India and in Bangladesh. The Working Womens' Forum was started in India in 1978 and in ten years its membership rose to 150,000. Only poor working women, who are almost always exploited by employers and money lenders, can join, and many co-operative societies have been formed to enable members to receive cheap credit in order to pursue a variety of trades. Most WWF staff are working class women and the movement has spread to several States and has also developed important health and welfare functions. The Forum stands for a political process of improvement for poor women, and "has the flexibility of an NGO and the political character of a trade union". In Bangladesh the Grameen Bank has had an equally impressive history. It was started by an economics professor in 1976 who wished to prove that the poor could be a bankable social group. The founder aimed to extend banking facilities to the poor, prevent exploitation, encourage self-employment and provide mutual support. By 1990 there were 754 banks in 18,500 villages with 800,000 borrowers. Housing loans are also made and have enabled 85,000 houses to be built. Meticulous training is carried out and there is a 98% repayment rate. The Bank has gone on to salvage failed developments and is spreading to other parts of the world.

OTHER CONTINENTS. In a very different environment, but based on similar principles, South Shore Bank in Chicago provides another interesting example. This was founded by a banker who believed that the best way of initiating urban renewal would be to have a bank

subscribed to by local people. Again there has been great success and 8,898 housing units have been completed. The Bank believes that its experience is repeatable and this points strongly to the need for enabling legislation to be enacted in all countries to facilitate the development of local financial initiatives which can use the creativity and savings of people in their area. Another means of stimulating local efforts is, of course, the LETS (Local Exchange and Trading) schemes which are now proliferating in Britain and which the NEF has done much to support. In yet another context, parts of Africa have their popular movements and the NAAM in Burkino Faso has shown how, by co-operating with traditional structures, many successful development activities can be generated. Finally, mention must be made of the Seikatsu Club Consumer Co-operative in Japan, which hosted the 1993 TOES discussions. Again women started the movement, whose growth has been exponential. By 1989 it had a membership of 170,000 households, and calls on the public to create a self-managed life-style and a locally-based economy. The Co-operative has become a formidable commercial enterprise, but retains close links with the farmers who supply it.

All these activities are examples of the “progressive market” in action, in which co-operation and competition blend fruitfully. Ekins also has interesting sections on Health, Education and Housing to which the same principles apply. Further evidence to this effect is contained in *Peter Draper’s* book “HEALTH THROUGH PUBLIC POLICY”. All this experience provides powerful evidence that only through popular participation will the present system be transformed.

The Human Development Report endorses the first part of this chapter and reaches two further significant conclusions:-

“No amount of external assistance can ever substitute for fundamental reforms in domestic economies.”

“Many donors were silent witnesses to severe cuts in social spending while military spending continued to rise.”

VI – WORK AND SOCIETY

(i) – **WORK:** Work has always been high on the agenda of new economists. In the 1970s Schumacher made a memorable tour of the United States, lecturing to 60,000 people, and his talks have been edited by *George McRobie* under the title “GOOD WORK”. In 1979 *Graeme Shankland*, a well-known town planner, published a seminal study “WONTED WORK”, analysing the informal economy. In 1985 *James Robertson* followed up with a valuable book on “FUTURE WORK”, and NEF Patron *Charles Handy* has recently published “THE EMPTY RAINCOAT” about the role of work in the future.

All these writers assume the impossibility of reviving the “full employment” of the 1950-60s when all but a minimum number of people, mostly changing jobs or temporarily laid off, were employed in jobs for 40 hours or so a week. There are now 30 million people in the European Union officially classified as unemployed and the small drop in the number of people on the unemployed register in Britain is due to a large increase in the number of part-time workers and to the “pruning” of the register. In addition Gordon Brown, the Shadow Chancellor, estimates that 1.8 million more men are outside the register. The most traumatic feature of the current situation is, therefore, the lack of jobs for men – particularly for young and middle-aged men. For the first time in British history as many women as men are in paid employment, partly because they are often cheaper and often more skilful in many forms of work. Since new jobs in mining, agriculture and heavy industry have nearly vanished, the old “macho” occupations of men have largely gone and with them a deep-rooted cultural tradition.

REASONS FOR UNEMPLOYMENT: There are three main reasons for this situation, the most notable being the remorseless development of technology. Both in factories and offices computers and robots are destroying far more jobs than they create. This technology is highly transferable and already multinational corporations have substituted cheap labour in Asia and South America for European workers. In addition the idea that increased consumption and growth in services for the well-to-do will make up for the employment that has gone elsewhere is misconceived and dangerous. Nearly everyone now has a TV and a

washing machine so that the market for “consumer durables” is, if anything, declining, and one alternative form of expansion, a vast increase in the output of vehicles and aircraft, would have baleful implications for the planet, for health and for the quality of life. Apart from these the potential of other commercial “services”, however much boosted by advertising, would seem to consist of the proliferation of unnecessary luxuries and of dubious commodities such as tobacco, alcohol and drugs. Throughout Britain employers are rapidly dispensing with full-time employees and thus with their social obligations to them and the Government’s “privatisation” campaign is having a similar effect. The European “Social Chapter” is designed to minimise such trends but Britain and Denmark alone in Europe, refuse to ratify it.

(ii) – **THE RESPONSE OF NEW ECONOMISTS:** The first response of the new economists to this situation is to emphasise its moral and cultural dangers. They follow a tradition of outrage about industrialisation proclaimed by Ruskin, Morris and Tawney. And Schumacher contended that capitalism uses greed, envy and avarice as “its very motive force”. He quotes an article in “The Times” which says: “Dante, when composing his visions of Hell, might well have included the mindless, repetitive boredom of working on the factory assembly line. It destroys initiative and rots brains, yet millions of British workers are committed to it for most of their lives”. If, he continues, it was stated that we had “rotted the brains of animals, or that the bodies of workers were being rotted, there would have been much outcry. But workers’ brains, minds and souls are a different matter”. Repetitive work still rots brains, and it is evident that unemployment rots souls. Schumacher claims that technologically we have taken four wrong turns – we have opted for giantism, complexity, capital intensity and violence. His “intermediate” or “appropriate” technology was aimed principally at overcoming mistakes in a Third World context but he also urged that we should develop the means of transforming large scale technologies so that we can all have varied, humane and creative lives. Technology can avoid much repetition and a varied mix of jobs can give human satisfaction.

(iii) – **WORK IN THE FUTURE:** This is the theme taken up by *James Robertson* in “FUTURE WORK”, which is based on a SANE, HUMANE, ECOLOGICAL (SHE) view of life. What he prophesied in

1985 about the “feminisation” of work is rapidly coming true and it is vital to find new roles for men as an alternative to tough manual labour and to their hopes of running vast enterprises with correspondingly vast salaries. Robertson contends that we need a new work ethic based on the presumption that real life is not to be found in the formalised activities of business, government and money. In late industrialised societies these have become over-developed to a point where they treat men and women, not as real people but as organisational abstractions, like employees, customers, pensioners and so on. Real life means real experiences and real work means finding ways of acting directly to meet needs – our own, other peoples’ and increasingly the survival needs of the natural world that supports us.

This may seem abstract, but it is in line with current trends. A rapidly increasing number of people, by choice or because they have lost their jobs, are already engaged in “own work” as small entrepreneurs, craftsmen, consultants or producers of services. As industry sheds full time employees this number will increase, and we need a strategy which will encourage this development. In particular, in order to have a sustainable future, we need to aim at much greater local and national self-sufficiency. Daly and Cobb show that capital mobility is causing disastrous uncertainty for workers in the United States and that the struggle of management against labour has become a very unequal one. The trend towards “batch production” shows that technology can enable even sophisticated products to be made in small quantities and “FOR THE COMMON GOOD” shows that a community of 10,000 people could economically produce almost all its basic needs. It suggests a strategy for bringing this about, and shows that diversity of employment in all communities would provide human satisfaction, save energy and ensure against economic insecurity. Robertson urges that in all major spheres of economic and social life there should be a systematic survey to establish what existing or new small-scale technologies could be further developed and how they could be applied to personal and “own work” forms of employment.

For those who remain in conventional employment work should be shared. A 20-30 hour week, combined with a Citizen’s Income and a campaign to show how to use additional leisure constructively would do

an immense amount for the quality of life. A predominantly “part-time” work-force, with flexible hours, would enable both parents to take proper roles in bringing up children and in sharing with teachers responsibility for education. For those whose children have grown up, participation in the community activities discussed below should be given every encouragement. Social, health and library services, as well as education, should be run by communities with the participation of large forces of trained volunteers. All this would provide a varied mix of activities and the distinction between work and leisure would become increasingly blurred.

(iv) – **BUSINESS:** To achieve such a transition basic changes will be needed in the organisation of industry and commerce, and “GREENING BUSINESS” by NEF Patron *John Davis* is particularly useful in this context. He points out that the British method of controlling firms, the joint-stock limited liability company, is profoundly unsatisfactory. Legally it has only one aim, to provide the maximum financial return for its shareholders. From the public point of view, the other “stake-holders” of a business, its employees, its customers and the local community are at least as important as the shareholders, but they have no means in law of influencing its conduct. In Germany (under British instigation in 1946 (!)) workers were given the important rights to be consulted and to serve on supervisory boards. And in many other countries they and other stake holders have significant responsibilities. In Britain directors have the sole duty of pleasing their shareholders and hence on maximising dividends and capital for them – often at the expense of the long-term future of the firm. If they fail to pay out substantial dividends their firms are in constant danger of “take-overs”, which are often disastrous for their employees. It is a business culture of the jungle and has resulted in hostility between management and employees, a lack of training and of long-term research and development. It has also led to the transfer of important firms, like Rover, to foreign hands.

(v) – **“GREENING BUSINESS”:** John Davis is an engineer and was chairman of a large Shell subsidiary. Sir Peter Parker says of his book: “its scale, courage and demanding vision makes it an exceptional read for any manager”. Its analysis of corporate values is based on wide experience and he insists that the values of firms should be explicitly

stated. “Making money”, he says, “can no more be a purpose than breathing is the purpose of life. Both are conditions of survival and not ends”. So there should be a corporate vision and where this is a living reality in all aspects of a firm’s operations it can have profound effects. In the industry of the future the use of human resources will be as important as technological changes, and indeed one will depend on the other.. Training must start at the top and has been neglected in Britain. In the USA and Japan expenditure on training per unit of production is six times larger than in Britain and other European countries are not far behind. As a result there is in Britain often a culture gap between management and workers which can be very harmful. Management by accountants can be dangerous, because senior management must become more like conductors of orchestras, engaging in people-centred activity, than mere operators of money-making mechanisms. The decentralisation of firms is often advantageous and can pay dividends.

In making such arrangements, however, it is essential to avoid a win/lose attitude. Management is not a gladiatorial contest: and should rather be a process which tries to ensure that all involved – customers, suppliers, sub-contractors, agents, employees and share-holders – are all satisfied. The British are notoriously poor at exploiting their inventions and there is an important chapter on the differences between basic and applied research and how to manage them.

(vi) – **ALTERNATIVES NEEDED:** Davis finds many faults in British industry but does not consider that state capitalism is a satisfactory alternative. It is, however, profoundly important to change company law, so as to enable managements to deal equitably with other stake-holders, and examples are given of firms such as Scott Bader, Baxi, and John Lewis, where employers have given ownership to their employees. But there are many alternative forms of organisation and Davis himself spent some years after retirement helping the formation of small enterprise trusts. We are, he considers, entering a new age in which sustainability calls for an almost total reconstruction of all economic activity. We need a conserving economy, with an emphasis on equality, a co-operative economy based on needs and the sharing of knowledge and a complete retraining of everyone in industry. The book contains many references to Schumacher’s philosophy and is a mature commentary on his “unending

search to reconcile freedom with planning and control”.

(vii) – **“EMPTY RAINCOAT”**: *Charles Handy’s* THE EMPTY RAINCOAT” contains a very similar message. “If”, he says, “economic progress means that we become anonymous cogs in some great machine, then progress is an empty promise. The challenge must be to show how paradox can be managed”. The first of his paradoxes is Intelligence. “Organisations and individuals everywhere are waking up to the fact that their ultimate security lies more in their people than in their land or their buildings. Even in the beleaguered world of American auto-makers brains are replacing brawn”. The same point has been made by Galbraith, who pointed out that no nation which is really educated is poor and no poor nation is really educated. Everyone accepts that Japan’s economic success has nothing to do with raw materials but is entirely based on the way in which they educate and manage their people. Consequently Handy, like Davis, and the Committee on Social Justice, thinks that our greatest national aim should be to unlock the potential of our people.

How then should we do this? Handy shows that there are many different types of intelligence and thinks that everyone, whatever their abilities, should be encouraged to acquire a wide range of competencies from cooking to computing according to their tastes and circumstances. Schools and colleges should give certificates when competencies have been gained and people should be encouraged to go on gaining them throughout life: the University of the Third Age is an excellent development. Michael Young (Lord Young of Dartington) – also an NEF Patron and the great educational innovator – now thinks that young people should be allowed to leave school at 16 if they so wish. They should be offered supervised work with some educational content and given a voucher entitling them to further education as soon as they feel the need. Handy suggests that every young person should, on reaching the age of 18, be presented with a “double bond”. One part would guarantee to pay fees and basic maintenance for two years at any recognised learning institution, and the other part would offer to any young person who is unemployed a job in the locality for two years at a minimum wage, outside the labour market. To co-ordinate and implement all this he suggests a Youth Service staffed by some full-time professionals helped by a large number of volunteers and parents. Each young person should also have

a personal “agent” who would counsel him or her and help to develop their talents and to plan their careers.

Handy agrees with Davis about company structure and also about the need to avoid confrontation in business. Businesses should be communities and a community is not a commodity to be bought and sold. He too stresses the need to avoid “win/lose” situations and contrasts the belligerent attitude of British business with the culture of Japan and China where mutual satisfaction is felt to be the key to success. He feels that there is now no need for “giantism” and that it would be valuable if multinational corporations broke down into alliances of much smaller ones. There are, in addition, useful sections on indicators and on the absurdity of the Treasury practice of lumping all expenditure together, whether it be for current spending or for investment.

(viii) – **THE CITY:** For three centuries the City of London has been the seed-bed of Capitalism, spreading its tentacles throughout the world. Whether this has been good for Britain is, as *Will Hutton* has argued, doubtful because the City has always tended to invest British capital abroad rather than to nourish industry at home. In the past this has been a steady source of financial advantage but recently cracks have been appearing in its foundations. Catastrophes at Lloyds, the BCCI and Barings collapses, a rash of smaller failures, rescues by the Bank of England and the bursting of the property bubble all combine with our indebtedness at home and abroad to point to a fundamental unsustainability. Is Canary Wharf a portent or the writing on the wall?

The NEF has made, in its publication “BANK WATCH”, a gallant initial survey of banking problems from the point of view of seven categories of stock holders, ranging from customers to the Third World. It shows how the banks have been cushioned by Governments from the effects of their many failures and that to justify their privileged position banks should provide better services for their customers and the community. “BANK WATCH” assembles much information which it is hard to obtain elsewhere and indicates that technology is no substitute for sound local judgement. As in other spheres, banking needs to be decentralised, and how to make better use of the infrastructure and the pool of talent which has been built up in the Square Mile is one of the big challenges facing the New Economics.

(ix) – **WOMEN:** The equality – or even the superiority – of women is so fundamental a principle of the New Economics that it is almost unnecessary to make separate reference to their problems. Mention has been made to the heroic work of women in securing social justice in India, Africa and South America as well as in the developed world. The oppression and exploitation of women is, however, still sadly prevalent and it may help to mention a few books which point the way forward. *Vandana Shiva* is a name to conjure with in India and in “Ecofeminism” she collaborated with *Maria Mies* in pointing out the many links between patriarchal oppression and the destruction of nature in pursuit of profit. *Marilyn Waring* in “IF WOMEN COUNTED” describes vividly her experiences of challenging a male establishment and winning many pragmatic battles. “THE REVOLUTION OF WOMENS’ WORK” by *Sheila Levenack* explains why so scandalously high a proportion of the world’s wealth is owned by men and analyses the way in which women’s work has been undervalued in industrial and non-industrial societies. *Juliet Solomon* deals with the controversial subject of “GREEN PARENTING” and suggests ways in which children can be protected from conformism and consumerism.

THREE GREAT PROBLEMS

The fate of the world probably depends upon solving three great problems, to contain the population explosion, to secure a revolution in the concept of “work” and in the economic and social status of women. These are closely linked and all are complex. Education is a key factor and since male attitudes stoke up the arms trade and unbridled competition, it is vital to increase the political influence of women by new and relevant forms of education. They need to know how to secure an equal right to decide on family size and to devise an infrastructure of social rights which would complement smaller families. Husbands and wives need, also, to assume equal responsibilities for bringing up children to live in a more co-operative and harmonious civilisation.

VII – COMMUNITY ECONOMICS

(i) – **SCHUMACHER’S INSIGHT:** The need to promote and develop communities has always been basic to New Economic thinking. Schumacher recognised the difficulty and delicacy of community building. “The life, work and happiness of all societies depends on certain “psychological structures” which are infinitely precious and highly vulnerable”. “Success in economic development”, he concludes, “cannot be obtained by some magic produced by scientists, technicians or economic planners. It can only come through a process of growth involving the education, organisation and development of the whole population. Anything less than this must end in failure”. The term “community” is difficult to define and Daly and Cobb devote a helpful chapter to different meanings of the word. A community can be geographical, social, professional, national and international, but the essence of it is a situation in which “people are bound up with one another, sharing, despite differences, a common identity”. It implies participation, instinctive loyalties and tolerance.

(ii) – **SIGNIFICANCE OF COMMUNITY:** All of a sudden the word community has become fashionable, and the reason is not hard to find. The Thatcher view that there is “no such thing as society” has had a devastating effect on a host of existing communities, particularly the inner cities, where the hankering for some form of solidarity has produced gangs and Mafias. Some of the guilt must also be borne by the “slum clearance” fashion of the 50s and 60s which ruthlessly broke up communities and dumped the human debris in anonymous estates far from their original homes. But these effects in Britain are minor compared to the economic forces which have driven millions from the land in the Third World into huge and ever-growing conurbations. Reference has already been made to the magnificent efforts made by innovators in Asia and Africa to tackle their problems.

(iii) – **TENTATIVE ANSWERS:** These efforts are, however, drops in a huge bucket, and it will be a tremendous task to counter this situation. It is therefore understandable that the literature on community building is mostly tentative. *Manfred Max Neef* is one of the giants in this field

and he has produced some impressive case studies. *Ansur Rahman* is a passionate believer in the theme of his book "PEOPLES' SELF-DEVELOPMENT", but his analysis of his experiences is somewhat clouded by jargon. "BUILDING SUSTAINABLE COMMUNITIES" by *Benello, Swann and Turnbull* is another book containing some original ideas, including an effective attack on the iniquity of permanent ownership, although more work is needed before some of them become practical. A NEF project produced "TOWARDS A NEW SECTOR" by *Crabtree and Roberts* and their useful survey has now been much amplified by *John Pearce's* "AT THE HEART OF THE COMMUNITY ECONOMY".

(iv) – **COMMUNITY ECONOMIC DEVELOPMENT:** The development of community economic development is of great importance because it provides, in many spheres, a promising alternative to both nationalisation and privatisation. In his Foreword to Pearce's book, Paul Curnow of the Gulbelkian Foundation points out that community enterprises "have a particular role to play in local development, being suited to providing services and running programmes which, on the whole, are neglected by the private sector and increasingly abandoned by the public sector. In terms of subsidiarity, the local community is a level to which a range of activities could be dedicated and community enterprise is a structure through which the local community could take effective action".

"Empowerment" is another fashionable word and Pearce writes that "poverty in Britain is part of a world phenomenon. Economic disempowerment now afflicts the majority of the globe's inhabitants. Community enterprises are distinctive because of their value base, which puts people before profit and community benefit before return of investment: indeed their main purpose is to return community profit in a number of forms. Their legal structures are open and accountable. They seek to be community-led partnerships, tackling economic, social and environmental issues in a holistic fashion".

(v) – **WHY HAS PROGRESS BEEN SLOW?** Why have such admirable organisations not yet swept the board in Britain? Part of the reason is, of course, the Government's blind faith in privatisation which

has inhibited support for community enterprise. Another reason is that the concept of local rather than national economic development has only recently begun to be recognised. This is indeed a factor of great social, economic and constitutional importance. Ever since Keynes and his followers showed that it was possible for governments to minimise booms and slumps it was assumed that this was a job for the “sovereign” state. Micro economics dealt with the behaviour of firms and macro economics was concerned with higher tiers. In a paper headed “THE FALLACY OF SINGLE LEVEL CONTROL” James Robertson states: “Until about 15 or 20 years ago local government had no economic functions. Its scope was limited to environmental and social matters like planning, housing and social services. So far as economic policy was concerned local and regional economies were regarded as more or less non-existent”.

(vi) – **PROBLEMS OF DEPRESSED AREAS:** Centralised banking and financial systems have increased the gap between the more buoyant areas of the country and the poorer and more backward ones. When the plight of the “depressed areas” has screamed for attention policy makers have been in a quandary. Expansionist economic policies which would make full use of the resources of the poor areas caused inflation in the prosperous ones, and hence were snuffed out. Accordingly a variety of *ad hoc* remedies were attempted, but none really solved the problem. Grants were made to improve infrastructure, training was expanded, and local authorities were allowed to compete with each other for inward investment from Europe and the world – and particularly from Japan and the USA. Bribes were offered in the form of rate remissions but firms tended to move on as these came to an end. Failures were due to the fact that incentives and schemes thought up at the centre were inappropriate and lacking in local knowledge. There was no economic forum at the local level which could enable them to be examined and hence generate a feeling that schemes were “owned” by the locality.

(vii) – **SUBSIDIARITY:** If the principle of subsidiarity were applied to the economic sphere there would be major constitutional changes. Ultimate control of many aspects of the environment, trade, defence and foreign policy would move from national parliaments to the European Union, other regional bodies or to the United Nations, and many economic

functions would move down to the control of regional or local authorities. Whether existing local authorities should have their functions broadened to allow them to become local social and economic parliaments, or whether there should be new local forums with some executive powers, which would be composed of appropriate interest groups – business and manufacturing, trade unions and professions and the principal services, together with representatives of ordinary people – is a matter for debate. Robertson contends that attempts to control macro economics from some central point fails because it lacks the knowledge and sensitivity to do a very complex job. We must therefore have a multi-level system of economic organisation. For example, it may be useful to have a common European currency running parallel with national currencies for those people who wish to use it. Equally, in order to encourage the use of local money for local purposes it would be useful to establish local banks which would issue their own currency. There should also be a large expansion of LETS schemes and credit unions. All these are problems which demand urgent consideration by those who are trying to implement AGENDA 21, which was commended to the world by the Rio Conference. In the 18th and 19th centuries there were local banks and most towns had a range of industries supplying their own needs. There is little doubt that the process of centralisation has had many bad effects. A synthesis combining private and community enterprise which aims at true sustainable development is overdue.

(viii) – **EDUCATION AND TRAINING:** These concepts are so novel that our education and training systems are not geared to cater for them. There has been no call for the development of a corps of practitioners who are skilled in the delicate arts of inspiring, developing and managing community enterprise on the ground. It is in this practical area that Pearce's book is of particular value. He demonstrates the folly of expecting that TEC led schemes should show a commercial profit without making allowances for the difficulties of enabling the long-term unemployed to resume a working rhythm. He examines the problems of partnership with the public and private sectors and the sphere in which community enterprises are most likely to succeed or fail. Finally it is vital to achieve appropriate legislative recognition which establishes the special status of community enterprise.

(ix) – **SOCIAL AUDITS:** Pearce lays down a large and helpful agenda, but there are other problems of values and motivation of volunteers that provide equal challenges. This is a field in which the New Economics is beginning to be intensively engaged. It has stressed the importance of the social audit of Value-based organisations and its audit of Traidcraft has won widespread attention. It has ventured out into the Third World to do an audit of Sarvodaya in Sri Lanka which has been one of the largest and most prestigious examples of community development. None the less there are problems about relationships with supporters and the motivations and effectiveness of volunteers and employees. NEF is also working with a number of local authorities in Britain on the development of indicators which measure the success of social initiatives and the use of volunteers in energy saving. It has also done a social audit on itself!

AN URGENT CHALLENGE: If we are to solve our daunting problems of unemployment and alienation there will have to be a huge expansion of local, private and community enterprise. It is therefore of great importance that the practical work described so ably by John Pearce and the theoretical work being undertaken by the NEF should be built on as rapidly as possible. There has been in the recent past too much thoughtless improvisation and it is comforting that the Report of the Committee on Social Justice has an interesting chapter on “People led regeneration”.

CONCLUSIONS

IN 1993, a great gathering at Chicago of representatives of all the world's religions proclaimed a Declaration on "A Global Ethic". "The world", the Declaration began "is in agony. The agony is so pervasive and urgent that we are compelled to name its manifestations so that the depths of this pain may be made clear.

Peace eludes us...the planet is being destroyed...neighbours live in fear...women and men are estranged from one another...children die.

This is abhorrent.

We condemn the abuses of Earth's ecosystems.

We condemn the poverty which stifles life's potential, the hunger that weakens the human body, the economic disparities that threaten so many families with ruin.

We condemn the social disarray of the nations; the disregard for justice which pushes citizens to the margin; the anarchy overtaking our communities, and the insane death of children from violence. In particular we condemn aggression and hatred in the name of religion.

But this agony need not be."

The rest of the Declaration, much in line with the precepts of the New Economics, urges adherence to a set of core values, co-operation, partnership, a just social and economic order, to understand one another and to promote socially beneficial, peace fostering and nature friendly ways of life. The word God is deliberately omitted and the Declaration is a passionate and valuable attempt to set out a Global Ethic with a universal appeal. But it has not yet lit a flame which has illuminated the earth.

Why is it that at a time when the world contains more men and women who are well-meaning, brilliantly educated and highly skilled than at any

time in history their response to the world's agony is so muted? Armed with technology of incredible sophistication and power the world seems impotent to prevent the starvation of millions or the succession of wars which arise from poverty and neglect. At times the words of Yeats seem to have a terrible truth.

*"Things fall apart; the centre cannot hold;
mere anarchy is loosed upon the world,
The blood dimmed tide is loosed, and everywhere
the ceremony of innocence is drowned;
The best lack all conviction, while the rest
are full of passionate intensity."*

At other times, however, the convictions of the multitudes of organisations, large and small, which are campaigning for a host of worthy causes seem impressive. They achieve many minor triumphs but, so far, the massive forces of big business, finance and militarism continue to steer a course which sooner or later will cause catastrophe. People, particularly the young, are baffled because the political parties shy away from the basic issues and seem mainly concerned about who can manage the present system most efficiently. No coherent, integrated response to world disorder takes shape in Parliament or in the media and no co-ordinated attempt has been made to meet the charge that our troubles are not side effects of temporary imperfections but are caused by an amoral and unsustainable economic system.

But this time of turmoil may be the birth pangs of a new civilisation and there are some signs of hope both at the top and bottom of the pyramid. Before he became Vice President Al Gore wrote a distinguished book "EARTH IN THE BALANCE" in which he urges an international conference on Basic Needs. If the world powers could broadly agree about what are the most urgent requirements, a strategy could be developed which would allow a concerted effort to meet them. The United Nations would play a vital role but it will need to be transformed. *Erskine Childers* (a TOES speaker) and *Brian Urquhart*, who have both been high UN officials, have produced an impressive blue print called "RENEWING THE UNITED NATIONS SYSTEM". They propose an Economic

Security Council which would control the World Bank and the IMF and all the UN Agencies concerned with economic problems. A wide range of proposed improvements would help to reduce the present bias in favour of the rich nations and would raise the standard of management which is needed for the great tasks which the Organisation faces. A valuable and constructive study of the chaos of the UN "system" is contained in a paper "GREEN KNIGHT TO THE RESCUE?" by *John Gordon*, published by the London School of Economics.

An effective UN is vital but the world will not be transformed by administration from the top. Regional groupings like the European Union, existing nation states, with regional and local authorities below them must create the changes on the ground. How this might be done is spelled out in the remarkable UN publication, "HUMAN DEVELOPMENT REPORT 1994" which has already been referred to. For an official report it is amazingly frank. It describes a world in which "a fifth of the developing world's population goes hungry every night" and "a third live in a state of abject poverty – at such a margin of human existence that words simply fail to describe it." Global military spending equals the combined income of half of humanity and the richest billion people command 60 times the income of the poorest billion. Hence the report urges a new concept of human security based on protection from hunger, disease and repression. It proposes the Social Summit which will take place at Copenhagen in 1995 and which will resemble Gore's conference on needs. There should be a Global Security Fund based on a really big "peace dividend", taxes on energy and speculation and increases in aid from rich nations. The Report contains a wealth of information and echoes the concerns of the New Economics on debt, population, commodity prices and education.

These signs of movement at the top are mirrored, to some extent, by activities nearer to the ground. Agenda 21, the follow-up to the Rio Conference, calls on everyone to work for sustainability and has been taken up constructively by many local authorities in Britain. Committees of interested people have been formed to consider how Councils can create a more sustainable future. This respectable activity has been complemented by the passion with which unofficial groups are opposing the spread of motorways, cruelty to animals, the erosion of civil rights

and the many successful campaigns by FOE and CPRE. Many Councils have given help to small businesses and there has been a rapid spread of LETS and credit unions.

NGOs, collectively, are exercising great influence but there is an urgent need for them to agree and proclaim a common strategy. There is no doubt that the climate of opinion about ecology is changing and it is difficult to judge its impact on business and the Establishment. *John Elkington* (a NEF Patron) offers hope in his "GREEN CAPITALISTS" and "THE ECOLOGY OF COMMERCE" by Paul Hawken is a radical call for a new paradigm. Many scientists are acutely aware of ecological danger and the Royal Society and the American Academy of Science have issued a passionate joint manifesto. Some professions are becoming active and, largely owing to prominent NEF members the Royal Academy of Engineering has held a series of seminars and conferences about a new outlook for engineering. The work of the Environment Law Foundation shows stirrings in the Legal profession and "BANK WATCH" represents a gallant attempt by a group of young critics to challenge the record and aims of a dangerously conservative profession.

In many ways the most backward tier of government are the nation states. This may be because they are particularly influenced by the media. Newspapers and television have unfortunately become almost the greatest impediment to social justice and sustainability. Most newspapers are owned by the super rich and depend for their success on advertising. Their owners are increasingly taking over TV channels and £65 billion a year are spent on television advertising. TV is fast becoming the factor which is determining the culture and morality of the world and its advertising encourages the greed of the rich and mocks the poverty of the poor. The problem of the newspapers could be tackled by a diversification of ownership – with many newspapers being placed in the hands of independent trusts, accountable to some impartial body. But the challenge of irresponsible television beamed on a multitude of channels can only be met by creating an educational network in a wholly new dimension. It is, in any case deplorable that "information", which should be a tool of education, has become mainly an article of commerce. And, if the world could agree on "needs" UNESCO could be given the task of co-ordinating

a world-wide campaign to spread the message of Agenda 21 with all the resources of information technology. Schools and colleges, industry and NGOs could be involved and family planning, patterns of work, appropriate technology, and the skills of community building could be discussed with the aid of films, videos, computers, TV and the production of a multitude of local newspapers. UNESCO has already raised dramatically the level of literacy in the world but Mrs Thatcher withdrew Britain from membership.

Experience of the last half century suggests that the key words for the 21st century are pluralism, subsidiarity and community and that campaigns to increase understanding about the top and bottom of the world community are essential. We can no longer look to the state, to unregulated markets or to dogmatic political or religious faiths for salvation and each person must choose his or her own path. But help in the form of free, informed and universal discussion is needed to find paths through the maze. Beveridge's Giants – Poverty, Ignorance, Squalor, Idleness and Disease still stalk the earth and in some ways are getting stronger. Their seeds are Militarism, Violence, Materialism, Consumerism and Unregulated Commercial and Industrial Power. People need to be free to choose which path they take and there are many options. They can join political parties and help them to remove their parochial spectacles, they can join churches and persuade them to adhere to the Global Ethic, they can join NGO's and help them to co-ordinate their efforts or they can go into education and help both young and old to see more clearly. They must also choose between despair and action. But in all these spheres there still broods the spirit of economic orthodoxy which must be exorcised before real progress can be made.

Towards the end of his life Keynes said that if his mantle was to fall on anyone it should be received by Otto Clark or Fritz Schumacher, because the latter "made statistics sing". Yet Schumacher, though deeply versed in economics, never had a degree in the subject. He regarded it as part of political philosophy and though economics, if wisely used, is a valuable tool it can, otherwise, in Hazel Henderson's words "be a form of brain damage". The New Economic Foundation is probably unique in being solely concerned with turning economics into an art to be studied

“as if people mattered”. It is trying to throw light on to a tremendous problem and has had to move to a bigger office; but it is far too small, as yet, to realise its full potential. It needs the backing of many thousands of people, economists and non-economists alike, who realise that orthodox economics must no longer be regarded as a god but must be replaced by a holistic vision of the world in which morality, technology, education, social science and art are blended to form what could be a wholly new and better civilisation. The Right Livelihood Foundation, the Schumacher Society and College and “Resurgence” are part of the vision and the New Economics Foundation collaborates closely with the NGO’s which are concerned with people-centred development. ecology and social justice. But its specific task is the practical job of exposing the fallacies of economic orthodoxy by research and discussion, of putting forward proposals for saner policies and of promoting the principles of the New Economics in all the facets of national and international life. There are still huge gaps to be filled and all those willing to help will be cordially welcomed.

D.S.

EPILOGUE

GREEN SPIRITUALITY. Extracts from a personal ‘credo’ by Jonathon Porritt, a Patron of the New Economics Foundation.

“I believe that Green Spirituality is a blend of solitary thought and meditation and of collective help and love. Love is the essence of all the great religions and it is our tragedy that most people do not know what it means. I think that it is best nurtured by worship and sharing of experiences by like-minded people, helped and strengthened by all forms of art and the thoughts of great religious members of the past.

I believe in loving life through all the different activities by which it presents itself. The directions of the activities will be guided by my own inner feelings.

I believe that this earth is a created earth and that life is purposeful and beautiful. I believe in a power which I don’t (and can’t) understand, which is present in all living things and which has a wisdom and compassion from which I can benefit when I have the humility to listen and learn.

I believe that everyone has a right to live life freely within the context of respect for the existence of everything animate or inanimate in the world. That everyone has a right to hold on to their beliefs, without seeking to impose them on others.

I believe that it is a wonderful burden to be human, particularly now.”

IN SEARCH OF SOCIAL JUSTICE

BOOKS REFERRED TO IN THE TEXT

(All books marked * are obtainable from the NEF.

Others can be ordered from the sources indicated)

- * Victor Anderson: *"Alternative Economic Indicators."* Routledge, 1991. **£8.99**
- * Victor Anderson: *"Fuel Efficiency Policies."* Routledge, 1993.
- * Victor Anderson: *"Paying For The Forests."* New Economics Foundation, 1994. **£7.50**
- * Herman Daly and John Cobb: *"For the Common Good."* Green Print, 1990. **£9.99**
- * John Davis: *"Greening Business."* Basil Blackwood, 1991. **£18.95**
- * Richard Douthwaite: *"The Growth Illusion."* A Resurgence Book, 1992. **£14.95**
- * Peter Draper (ed): *"Health Through Public Policy."* Green Print, 1991. **£9.99**
- Paul Ekins: *"The Living Economy."* Routledge, Kegan Paul, 1986.
- * Paul Ekins: *"The New World Order."* Routledge, 1992. **£10.99**
- * Paul Ekins: *"Trading off the Future."* New Economics Foundation, 1992. **£7.00**
- * Paul Ekins and Manfred Max Neef (eds): *"Real Life Economics."* Routledge, 1992. **£13.99**
- * Paul Ekins et al: *"Wealth Beyond Measure £9.99* and *"Real Wealth Teachers' Pack."* Gaia Books, 1992. **£15.50**
- * Amitai Etzioni: *"The Moral Dimension."* Free Press, **£13.95**
- * Amitai Etzioni: *"The Spirit of Community."* Fontana Press 1995 (forthcoming). **£7.99**
- * Susan George: *"The Debt Boomerang."* Pluto Press, 1992. **£7.95**
- John Gordon: *"Green Knight to the Rescue?."* Centre for Study of Global Governance, LSE, WC2 2AK.
- Charles Handy: *"The Empty Raincoat."* Hutchinson, 1994. **£12.99**
- Paul Hawken: *"Ecology of Commerce."* Wiedenfeld and Nicholson, 1993. **£7.99**
- * Hazel Henderson: *"Paradigms in Progress."* Knowledge Systems Inc., 1991. **£14.50**
- * Michael Jacobs: *"The Green Economy."* Pluto Press, 1991. **£10.95**
- * Tim Lang and Colin Hines: *"The New Protectionism."* Earthscan, 1993. **£10.95**
- * Patricia Knox: *"The Central Pillars of the 20th Century Myth."* (Forthcoming). c/o Jon Carpenter, P.O. Box 129, Oxford OX1 4P8

- * Sheila Lewenhack: "*The Revolution of Womens' Work.*" Earthscan, **£14.95**
- * Mark Lutz and Kenneth Lux: "*Humanitistic Economics.*" Bootstrap Press, New York, **£11.95**
Al Gore: "*Earth in the Balance.*" Earthscan, 1992. **£14.95**
- * Alex MacGillvray: "*A Green League of Nations.*" New Economics Foundation, **£5.00**
- * Ed Mayo: (ed): "*Bank Watch UK.*" New Economics Foundation, **£7.00**
Hans Kung: (ed): "*A Global Ethic.*" S.C.M. Press, 1993. **£5.95**
Sara Parkin: (ed): "*Green Light on Europe.*" Heretic Books, 1991. **£9.95**
- * John Pearce: "*At the Heart of the Community Economy.*" Gulbenkian Foundation. **£8.50**
- * Anisur Rahman: "*Peoples Self Development.*" Zed Books, 1993. **£12.95**
- * James Robertson: "*Future Wealth.*" Cassell, 1989. **£12.99**
- * James Robertson: "*Future Work.*" Gower/Morris Temple-Smith, 1985. **£14.95**
- * James Robertson: "*Benefits and Taxes*" New Economics Foundation. **£5.00**
- * James Robertson: "*The Fallacy of Single Level Control.*" Paper from "*Futures*", March 1993. Enquiries to The Old Bakehouse, Cholsey, Oxon OX10 GN0.
- * Vandana Shiva and Maria Mies: "*Eco-feminism.*" Zed Books, 1993. **£12.95**
- * E.F. Schumacher: "*Small is Beautiful.*" Abacus, 1974. **£4.99**
- * E.F. Schumacher: George McRobie (ed): "*Good Work.*" Jonathan Cape, 1979. **£4.95**
- * Martin Summers: "*Economic Alternatives in Eastern Europe- Vol.2.*" New Economics Foundation. **£5.00**
- * Graeme Shankland: "*Wonted Work.*" Bootstrap Press (New York), **£5.00**
United Nations: "*Renewing the United Nations' System.*" E. Childers and B. Urquhart. Dag Hammarskjöld Foundation, 1994. Uppsala, Sweden.
United Nations: "*Human Development Report.*" 1994. UNDP. Oxford University Press. **£13.50**
- * Benello, Swan and Turnbull: "*Building Sustainable Communities.*" Bootstrap Press (New York).
- * Juliet Soloman: "*Green Parenting.*" Optima. **£6.99**
- * Marilyn Waring: "*If Women Counted.*" Macmillan, 1989. **£14.95**
- * Simon Zadek and Richard Evans: "*Auditing the Market.*" New Economics Foundation, 1993. **£2.50**
- * Simon Zadek: "*Valuing Organisations, The Case of Sarvodaya.*" New Economics Foundation, 1993. **£3.00**

ORDER FORM

NEF, 1st Floor, Vine Court, 112-116 Whitechapel Road, London E1 1JE
(0171) 377 5696

Order Checklist

1. Write name and address.
2. Enter title, author and price of required books.
3. Add postage and packing.
4. Make cheques payable to *New Economics Foundation*.
5. Organisations wishing to invoice should contact NEF.
6. Post to NEF

NAME:

ADDRESS:.....

(All books marked * are obtainable from the NEF. Others can be ordered from the sources indicated)

.....
TITLE

AUTHOR

£ £

P&P - add 10% for UK orders, 20% for overseas

.....
I would like to join the New Economics Foundation and receive the quarterly newsletter:

Standard £18 ☐

Student £8 ☐

Overseas £20 ☐

Special categories:

Core Supporter £130 ☐

Package Subscriber £75 ☐

(To Receive all NEF publications)

.....
TOTAL:

PEOPLE AND ACTIVITIES in the NEW ECONOMICS FOUNDATION

CURRENT ACTIVITIES

Current projects and initiatives include:

Formulating alternative economic indicators, developing social audit methodology, investigating community enterprise, energy conservation, product durability, researching links between economics, trade and the environment, linking faith and ethics to economics, understanding social investment and sustainable development.

Projects in development include Corporate Ecological Footprints, New Money, Community Visioning and Food Policy.

Talks are given at many companies and seminars are arranged.

ADDRESS:

1st Floor, Vine Court,
112-116 Whitechapel Road,
London E1 1JE

Tel: 0171-377 5696

Fax: 0171-377 5720

E-MAIL:

neweconomics@GN.apc.org

Director: Ed Mayo

Chair: Perry Walker

Simon Zadek

Research co-ordinator

Susan Porro-Macate

Administrator

TRUSTEES:

George McRobie

Sara Parkin

James Robertson

Diana Schumacher

Elizabeth Sidney

James Skinner

Duncan Smith

Jakob von Uexkull

UK Charity No.

294814

PATRONS:

David Astor

Prof. Leonor Briones

John Davis

Paul Ekins

John Elkington

Lord Ennals

Anila Graham

Edward Goldsmith

Charles Handy

Malcolm Harper

Hazel Henderson

The Right Reverend
D.E. Jenkins

Wangari Maathai

Swasti Mitter

Max Nicholson

Sir Peter Parker

Jonathon Porritt

Sir Shridath Ramphal

Walter Schwarz

Hans Singer

Lord Soper

Frances Stewart

Peter Townsend

John Vincent

Lord Young of
Dartington

Published by The New Economics Foundation®.

1st Floor, Vine Court, 112-116 Whitechapel Road, London, E1 1JE

Tel: 0171-337 5696 Fax: 0171-377 5720

Designed, Typeset and Printed by ESG London, 4 Manor Lane Terrace, Lewisham, London, SE13 5QL.

Tel: 0181-318 1307. Fax: 0181-318 4544



new economics FOUNDATION

Environment degradation, spreading deserts, unemployment and starvation, growing divisions between rich and poor, developed and 'undeveloped' – the economic system sometimes seems to be stacked against the world.

It doesn't have to be like that. A growing number of people are working out ideas, based on the work of the New Economics pioneers like E.F. Schumacher, and linked with practical schemes that put people and planet first.

The emerging New Economics is humane, just, sustainable and culturally appropriate, based on people's needs. *New Economics* magazine – free to New Economics Foundation (NEF) supporters four times a year – charts its progress, reports on examples and spreads the ideas.

If you are active in one of the many movements that need a New Economics, whether your concern is environmental, development or human rights, supporting NEF will keep you up to date with the latest developments, and with the leading thinkers and doers in the field worldwide.

You will also back the urgent search for an alternative to unrestrained growth, and badly-needed solutions to humanity's most intractable problems – underpinning the work of environmental groups and development campaigns everywhere.

If you are simply interested in the way the world is changing, supporting NEF will put you at the fascinating and challenging frontiers of change.

We rely on the support of individuals and groups to carry on our important work, spreading understanding of New Economic ideas – showing people that there *are* solutions to today's awesome problems: human-scale solutions to which they can contribute.

**New Economics Foundation, 1st Floor, Vine Court, 112-116
Whitechapel Road, London E1 1JE.**

Tel: (0171) 377 5696.